

## **EXHIBIT 4**



**FANS, INC.**  
**Consolidated Financial Statements**  
**and Additional Information**  
**June 30, 1996 and 1995**

PW0200001

800 Market Street  
St. Louis, MO 63101

Telephone 314 206 8500

*Price Waterhouse LLP*



REPORT OF INDEPENDENT ACCOUNTANTS

October 15, 1996

To the Board of Directors of  
FANS, Inc.

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of activity and changes in net assets and cash flows present fairly, in all material respects, the financial position of FANS, Inc. and its subsidiary at June 30, 1996 and 1995, and the results of their operations and their cash flows for the year and six months then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of FANS, Inc. management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

*Price Waterhouse LLP*

PW0200002

**FANS, INC.****Consolidated Statements of Financial Position**

	<b>June 30,</b>	
	<b>1996</b>	<b>1995</b>
<b>Assets</b>		
Accounts receivable - CVC	\$ -	\$ 951,270
Other assets	<u>1</u>	<u>1</u>
<b>Total assets</b>	<b>\$ <u>1</u></b>	<b>\$ <u>951,271</u></b>
<b>Liabilities and net assets</b>		
Accounts payable and accruals	\$ -	\$ 951,270
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 951,270</b>
<b>Net assets</b>	<b>\$ <u>1</u></b>	<b>\$ <u>1</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>1</u></b>	<b>\$ <u>951,271</u></b>

See Notes to Consolidated Financial Statements.

FW0200003

## FANS, INC.

Consolidated Statements of Activity and Changes in Net Assets  
For the Year and Six Months Ended June 30, 1996 and 1995

	For the Year Ended June 30, 1996			For the Six Months Ended June 30, 1995		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Reimbursement of operating expenses	\$ -	\$ 1,725,932	\$ 1,725,932	\$ -	\$ 12,121,129	\$ 12,121,129
Total revenues	-	1,725,932	1,725,932	-	12,121,129	12,121,129
Net assets released from restrictions:						
Satisfaction of operating restrictions	1,725,932	(1,725,932)		12,121,129	(12,121,129)	
Total unrestricted revenue and other support	1,725,932	-	1,725,932	12,121,129	-	12,121,129
Expenses:						
Stadium lease acquisition costs				4,445,480		4,445,480
Professional services	602,971		602,971	1,030,263		1,030,263
General and administrative	341,343		341,343	595,621		595,621
Advertising, marketing and public relations	594,045		594,045	1,050,825		1,050,825
Interest expense	187,573	-	187,573	115,957	-	115,957
Total expenses	1,725,932	-	1,725,932	7,238,146	-	7,238,146
Change in net assets	-	-	-	4,882,983	-	\$ 4,882,983
Net assets, beginning of period	1	-	1	(4,882,982)	-	(4,882,982)
Net assets, end of period	\$ 1	\$ -	\$ 1	\$ 1	\$ -	\$ 1

See Notes to Consolidated Financial Statements.

PW0200004

**FANS, INC.****Consolidated Statements of Cash Flows**  
**For the Year and Six Months Ended June 30, 1996 and 1995**

	For the Year Ended June 30, 1996	For the Six Months Ended June 30, 1995
Cash flows from operating activities:		
Reimbursement of operating expenses	\$ 1,725,932	\$ 12,121,129
Cash paid for:		
Operating expenses	<u>(1,725,932)</u>	<u>(8,092,010)</u>
Net cash provided by operating activities	<u>-</u>	<u>4,029,119</u>
Cash flows from financing activities:		
Advances on note payable		2,500,000
Payments on note payable	<u>-</u>	<u>(6,535,576)</u>
Net cash used by financing activities	<u>-</u>	<u>(4,035,576)</u>
Net (decrease) in cash	<u>-</u>	<u>(6,457)</u>
Cash, beginning of period	<u>-</u>	<u>6,457</u>
Cash, end of the period	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of increase (decrease) in net assets to cash provided by operating activities:		
Increase in net assets		4,882,983
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Decrease (increase) in accounts receivable - CVC	951,270	(951,270)
(Decrease) increase in accounts payable and accruals	<u>(951,270)</u>	<u>97,406</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 4,029,119</u>

See Notes to Consolidated Financial Statements.

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**FANS, INC.****Notes to Consolidated Financial Statements**

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**1. The Organization**

FANS, Inc. is a nonprofit organization which was formed on April 15, 1994, with the primary purpose of conducting activities to attract a National Football League (NFL) team to a government-funded sports stadium in St. Louis. All funds obtained by FANS, Inc. are used for items related to its primary purpose, including payments required to obtain control of the stadium lease and operating expenses. FANS, Inc. has received an advance determination letter from the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

FANS, Inc. was formed to operate on behalf of and as agent for the St. Louis Convention & Visitors Commission (the CVC), the City of St. Louis, St. Louis County and other civic and government agencies. FANS acquired ownership of the St. Louis NFL Corporation (SLNFL), which controlled the rights to the stadium lease, and became a party to negotiations with a football team for relocation to St. Louis. FANS, Inc. is not a party to the stadium lease, however, and simply acted as agent for the CVC which ultimately contracted with the team. The rights to sell Charter Personal Seat Licenses (PSL's) were assigned by CVC to FANS, Inc. FANS, Inc. implemented a sales program for the CVC to sell PSL's and certain Club Seat memberships. All operating expenses incurred by FANS, Inc. are to be reimbursed by the CVC with PSL and club seat membership proceeds and, therefore, are not expenses of FANS, Inc. under the agency agreement. After completing the PSL program in 1996, FANS no longer served as a separate operating entity. Its operations were absorbed by the CVC.

**Principles of consolidation**

The consolidated financial statements include the accounts of FANS, Inc. and its wholly-owned subsidiary, St. Louis NFL Corporation (SLNFL).

**2. Summary of significant accounting policies****Basis of Presentation**

FANS, Inc. financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made," (SFAS 116) and Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations," (SFAS 117). SFAS 116 requires that donations, contributions, and pledges be recognized in the financial statement when received. Under the provisions of SFAS 117, net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of FANS, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of FANS, Inc. and/or the passage of time.

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**FANS, INC.**

**Notes to Consolidated Financial Statements**  
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**Donations**

FANS, Inc. received cash donations from various civic and governmental entities. These donations were used for general operating expenses of FANS, Inc. Donations and unconditional pledges are reported as revenue in the period received. Restricted donations are reflected as temporarily restricted assets in accordance with SFAS 117.

**3. Investment in stadium lease**

In 1994, FANS, Inc. acquired 100% of the stock of SLNFL, a corporation which controlled the stadium lease of the government-funded stadium in the city of St. Louis. The stadium lease granted SLNFL the exclusive right to assign the lease to a team to play NFL football in that stadium. A stockholder owning 68% of the common stock of SLNFL donated such shares to FANS, Inc. in 1994. The remaining stock (representing 32%) was held by two minority shareholders.

FANS, Inc. acquired the stock of one of the minority stockholders representing 31% of the total common stock outstanding of SLNFL in September 1994. As part of this purchase, FANS, Inc. agreed to reimburse the former stockholder \$8,000,000 for expenses incurred by the former stockholder in an attempt to obtain an NFL franchise to play in the stadium. \$4,000,000 was paid in 1994 and \$4,000,000 was paid following the first game played in the new St. Louis dome stadium. As part of the agreement to purchase this interest, FANS, Inc. also agreed to provide a luxury box and tickets free of charge for 20 years.

FANS, Inc. received the shares of the second minority stockholder (representing 1%) as a donation. FANS, Inc. also assumed the SLNFL obligation to provide a luxury box and tickets free of charge to the law firm of this minority stockholder over a 10-year period.

FANS, Inc. also purchased an unexercised option to buy the stock of SLNFL. Total purchase price for the interests held by the two stockholders and optionholder was \$445,480, which consisted of a \$250,000 payment to the optionholder and an aggregate \$195,480 obligation for tickets to the two luxury boxes. The obligation for tickets for these boxes was assumed by CVC in fiscal 1995.

In the amended stadium lease, the Los Angeles RAMS Football club agreed to assume FANS, Inc. obligations to the former SLNFL stockholders for the two luxury boxes. All costs associated with the acquisition of the amended stadium lease rights have been expensed, since the lease has been signed by the Rams and CVC and FANS, Inc. has no further interest therein.

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**FANS, INC.**

**Notes to Consolidated Financial Statements**  
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**4. Term note payable**

On October 7, 1994, FANS, Inc. signed a term loan note with a bank. The note matures on September 16, 1997. Interest accrues until March 16, 1995 at the Adjusted LIBO Rate, and is payable monthly, thereafter. The maximum amount available on the note is \$7,000,000. Principal payments become due on the first day of the month following the month where proceeds collected from the sale of personal seat licenses (PSLs) exceed \$4,000,000. The term note was repaid in 1995.

**5. Team relocation**

On January 17, 1995, FANS, Inc., SLNFL and other parties signed an agreement with the Los Angeles Rams Football Company, Inc. for the Rams to relocate to St. Louis. The agreement required approval of the relocation by the NFL. On April 12, 1995, the NFL approved the Ram's petition for relocation.

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**ADDITIONAL INFORMATION**

PW0200009

800 Market Street  
St. Louis, MO 63101

Telephone 314 206 8500

*Price Waterhouse LLP*



REPORT OF INDEPENDENT ACCOUNTANTS

October 15, 1996

To the Board of Director of  
FANS, Inc.

In our opinion, the accompanying statements of FANS, Inc. activity under the agency agreement with the St. Louis Convention and Visitor's Commission are fairly stated in all material respects in relation to the basic financial statements, taken as a whole, of FANS, Inc. for the year and six months ended June 30, 1996 and 1995, which are covered by our report dated October 15, 1996 presented in the first section of this document. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. This information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

*Price Waterhouse LLP*

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**Additional Information**

**FANS, Inc. Activity Under the Agency Agreement with the  
St. Louis Convention and Visitors Commission**

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In accordance with the agency agreement dated January 17, 1995, FANS, Inc. acts as an agent for the CVC, and was responsible for operating the PSL program. Under the terms of this agreement, the CVC reimburses FANS, Inc. for all operating expenses associated with this program. Certain expenses associated with the team relocation costs were disbursed by FANS, Inc. on behalf of CVC from PSL revenues collected. Under the agency agreement, PSL and club seat membership revenues as well as team relocation costs are the responsibility of the CVC. Therefore, this activity is reflected on the financial records of the CVC. The following information is presented as additional information of activity related to the CVC, and the football relocation effort and is not part of FANS, Inc.'s financial statements:

	<b>June 30,</b>	
	<b>1996</b>	<b>1995</b>
<b>Assets</b>		
Cash	\$ 208,721	\$ 11,255,359
Cash in escrow		48,090,000
Accounts receivable	<u>1,227</u>	<u>6,911,278</u>
<b>Total assets</b>	<b><u>\$ 209,948</u></b>	<b><u>\$ 66,256,637</u></b>
<b>Liabilities and net assets</b>		
Due to FANS, Inc.	\$ -	\$ 951,270
Due to Rams	111,699	2,963,146
Deposits held		1,805,772
Accounts payable	6,858	
Stadium lease acquisition obligation	142,560	4,445,480
Stadium enhancement liability		2,850,000
Training facility obligation		12,500,000
Anaheim lease defeasance obligation		28,090,000
NFL relocation fees payable		20,000,000
Net assets (deficit)	<u>(51,169)</u>	<u>(7,349,031)</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 209,948</u></b>	<b><u>\$ 66,256,637</u></b>

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**Additional Information**

**FANS, Inc. Activity Under the Agency Agreement with the  
St. Louis Convention and Visitors Commission**

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	<b>For the Year Ended June 30, 1996</b>	<b>For the Six Months Ended June 30, 1995</b>
<b>Revenues</b>		
Contribution - Stadium Authority	\$ -	\$ 5,000,000
Debt forgiveness from Rams	2,600,000	
Payment of training facility obligation by CVC	1,200,000	
Personal seat license fees	2,613,286	67,489,039
Club seat membership fees	1,905,629	6,045,500
Interest income, net of refunds	<u>1,040,465</u>	<u>897,996</u>
<b>Total revenues and other sources of income</b>	<b><u>\$ 9,359,380</u></b>	<b><u>\$ 79,432,535</u></b>
<b>Expenses</b>		
Reimbursement of operating expenses	\$ 1,725,932	\$ 12,121,129
Ticketing and bank charges	259,514	520,437
Stadium enhancements	76,072	7,050,000
Team relocation costs		5,500,000
Training facility		13,500,000
NFL relocation fee		20,000,000
Anaheim lease defeasance	<u>-</u>	<u>28,090,000</u>
<b>Total expenses</b>	<b><u>\$ 2,061,518</u></b>	<b><u>\$ 86,781,566</u></b>
<b>Increase (decrease) in fund balance</b>	<b>\$ 7,297,862</b>	<b>\$ (7,349,031)</b>
<b>Fund balance, beginning of year</b>	<b><u>(7,349,031)</u></b>	<b><u>-</u></b>
<b>Fund balance, end of year</b>	<b><u>\$ (51,169)</u></b>	<b><u>\$ (7,349,031)</u></b>

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